OUTGRANT VALUATION POLICY

EC 405-1-04 – Section VII. Outgrants

Under $100,000, simple leases when adequate competition exists:

- **Document files to support rental amount, for example – Bid Abstract, Market Analysis, Automated Valuation Model (AVM).**
- **Appraiser or Qualified Designated Realty Specialist.**
- **(No Appraisal, No Certification, No Review or Concurrence required)**

EC 405-1-04 – Section VII. Outgrants (Cont'd)

Over $100,000 *or*

Under $100,000, complex leases or when adequate competition does not exist:

- **A qualified appraiser will prepare an Appraisal.**
- **Certification statement, and Appraisal Review required**

Quality Assurance

The Division must provide for quality assurance to ensure appropriate quality and internal controls are in place to complete leasing actions

- Adequate training requirements are met
- Adequate experience or knowledge
- A waiver can be obtained in some circumstances

Qualified Realty Specialist

- Qualified realty specialists who are designated by the Chief of Real Estate in concurrence with the District or Division Review Appraiser can document rental value for outgrants that meet certain criteria regarding dollar amount and market competition.

Training Requirements

- Examples of suggested minimum training would be the successful completion of the PROSPECT “Real Estate In-Leasing” course or a basic appraisal course such as those offered by International Right-of-Way Association, the Appraisal Institute, the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers, or equivalent.

Special Outgrant Cases

- Agricultural Leases
- Public Schools
- Army Community and Family Support Center (CFSC) facilities
- Easements on/across Government-owned property
- Minor outgrants
- Tower Site/Antenna/Dish Placement leases.
- Fiber Optic Cable

Agricultural Leases ("low value," adequate competition)

- Market analysis - to determine market rent ranges (by appraiser or qualified realty specialists)
- Project appraisal (by appraiser) - value by each land class/use updated periodically – one page supplement for each tract leased

Public Schools

- Land leases for public schools
- Condition of the land granted
- Restrictions on use
- Oversight and degree of Army control
- Termination rights
- Limited commercial market for the school use
- Obligations of maintenance, protection, repair, improvement or restoration

Army Community and Family Support Center (CFSC) facilities

- Leased through a competitive process
- Profit-sharing arrangement which is not a part of the lease
- Brief or limited format, and are a Jurisdictional Exception to USPAP
- Rental to reflect terms and conditions peculiar to the lease of the specific property
  - Restrictions on the property use
  - The generally prohibitive siting of the facility on an active military installation
  - Degree of Government control over the leased property

Easements

- Appropriate methodology.
- Going rates per rod (or per foot)
- Commercial practices common in the industry.
- Before and after method

Minor Outgrants

- Standard charges/rate schedules
- Appraiser to periodically estimate schedule of values

Tower Site/Antenna/Dish Placement Leases

- Local market customs should prevail
- Brief appraisal format
- Rate schedule

RENTAL FEE SCHEDULE FOR COMMUNICATIONS USES

Calendar Year 2006

POPULATION	TELEVISION	AM/FM RADIO*	CABLE TELEVISION	BROADCAST TRANSLATOR/ LPTV/LPFM	CMRS/ FACILITY MANAGER	CELLULAR TELEPHONE and PCS**	PRIVATE MOBILE RADIO SERVICE	MICROWAVE and Wireless Internet Service Provider (ISP) ***	OTHER	PASSIVE REF. & LOCAL EXCH. NETWORK
5,000,000 plus	$57,648.69	$43,556.81	*INSUFFICIENT*	*INSUFFICIENT*	$15,372.98	$15,372.98	$12,810.82	$12,810.82	$96.08	
2,500,000 to 4,999,999	$38,432.46	$26,902.73	*MARKET DATA*	*MARKET DATA*	$12,810.82	$12,810.82	$7,686.49	$10,248.67	$96.08	
1,000,000 to 2,499,999	$23,059.48	$17,935.14	*FEE TO BE DETERMINED*	*FEE TO BE DETERMINED*	$10,248.67	$10,248.67	$7,686.49	$8,967.57	$96.08	*RENTAL FEES FOR*
500,000 to 999,999	$17,935.14	$12,810.82	*BY APPRAISAL OR OTHER*	*BY APPRAISAL OR OTHER*	$6,405.41	$7,686.49	$5,124.32	$7,045.95	$96.08	*THESE USES ARE*
300,000 to 499,999	$15,372.98	$10,248.67	*METHODS*	*METHODS*	$5,124.32	$6,405.41	$3,202.70	$3,202.70	$96.08	*DETERMINED BY*
100,000 to 299,999	$7,686.49	$5,124.32	$3,074.59	$3,074.59	$3,843.25	$5,124.32	$2,562.17	$2,562.17	$96.08	*EACH USFS REGION*
50,000 to 99,999	$3,843.25	$2,562.17	$1,537.30	$1,537.30	$1,537.30	$3,843.25	$1,281.08	$1,921.61	$96.08	
25,000 to 49,999	$1,921.61	$1,537.30	$1,281.08	$640.54	$1,281.08	$3,202.70	$768.64	$1921.61	$96.08	
LESS THAN 25,000	$1,537.30	$1,152.97	$768.64	$128.11	$768.64	$3,202.70	$448.37	$1,921.61	$96.08	

Index Factor: 1.032

**RENTAL FEE FOR AM RADIO IS 70% OF THE FM SCHEDULED RENT*

**** Also includes Enhanced Specialized Mobile Radio (ESMR), Improved Mobile Telephone Service (IMTS), Air-to-Ground, Offshore Radio Telephone Service, Cell Site Extenders, and Local Multipoint Distribution Service (LMDS)**

*** For ISP populations between 1-1000, use the applicable Regional Local Exchange Network schedule.

Attachment 1

Fiber Optic

- Use standard industry practice for valuing

Exempt from typical appraisal requirements

- Banks and Credit Unions
- Valuation of “in-kind consideration”
- Concession leases under the Graduated Rental System
- Mobile home spaces

Questions?